



# HARFORD COUNTY, MARYLAND

## Office of the County Auditor

### FISCAL IMPACT NOTE

**Bill Number 14-11**

**Bill Number 14-12**

**Bill Number 14-13**

**Bill Number 14-14**

**Bill Number 14-15**

**Agricultural Preservation -Miller**

**Agricultural Preservation -Amoss**

**Agricultural Preservation -Barrow**

**Agricultural Preservation - Barrow**

**Agricultural Preservation – Grimmel**

Sponsor: Council President Boniface at the request of the County Executive

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### Summary of Legislation

A BILL approving and providing for a multi-year Installment Purchase Agreement by Harford County, Maryland (the "County") to acquire development rights in up to [###] acres of agricultural land located at [location], containing not less than [###] development rights, from [Owner name], or any other owner thereof for a maximum purchase price of the lesser of [\$\$\$\$] based upon [###] development rights, *[or in the event the number of development rights is in excess of [###], the maximum purchase price shall be increased at the rate of [\$\$\$\$] for each development right in excess of ###, [\$\$\$\$] per acre or portion* hereof but equal to the lesser of the maximum easement per acre value or the maximum development right value but not in excess of the maximum per acre cap as determined pursuant to Bill No. 07 05 enacted by the County Council of Harford County, Maryland on April 10, 2007, approved by the County Executive of the County on April 11, 2007 and effective on June 10, 2007, as amended by Bill No. 11-07, enacted by the County Council of Harford County, Maryland on April 5, 2011, approved by the County Executive on April 12, 2011, and effective on June 13, 2011 (the "Agricultural Land Preservation Act"); providing that the County's obligation to pay such purchase price and interest thereon shall be a full faith and credit general obligation of the County; providing for the levying of taxes for such payments; authorizing the County Executive to make modifications in such Agreement under certain circumstances; providing for and determining various matters in connection therewith.

Note: *[Brackets]* above indication information that is specific to each bill or included in only some of the bills.

The bills will take effect 60 days after they are enacted.

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### Fiscal Impact Summary

These pieces of legislation allow the purchase of development right easements for up to 725 acres of land, costing approximately \$3.4 million. The current investment in the

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properties will require approximately \$1.32 million, which is available in the County's Agricultural Preservation Fund.

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### Fiscal Analysis

The County's Agricultural Preservation program uses a portion of the County's transfer tax revenue to purchase development rights easements from local property owners. The easements restrict the number of new non-agricultural structures that a property owner may legally build on the property. Property owners with qualified properties apply to be included in the program. Properties are systematically evaluated and ranked by the Department of Planning and Zoning who then recommends which owners should be offered a purchase agreement. As fund availability is confirmed by the Treasurer, the County Executive, via bill or resolution, requests the County Council's approval for the purchases.

The bills request approval for the purchase of easements related to 5 properties totaling a maximum of 725 acres; the estimated size of the properties totals 660 acres. These properties will be purchased using Installment Payment Agreements (IPA). For each IPA, the County will pay minimum annual payments to the property owner for the next 20 years and will pay the balance at the end of the term. To meet the final payment obligation, the County purchases Treasury notes with maturity dates that coincide with the balloon payment due date. The properties, prices and initial investments are summarized below.

<u>Bill</u>	<u>Town</u>	<u>Max. Price</u>	<u>Est. Acres</u>	<u>Dev.</u> <u>Rights</u>	<u>T-Strip Price</u>	<u>Initial</u> <u>Payment</u>	<u>Total</u>
14-11	Whiteford	\$ 573,000	119.49	10	\$ 219,326	\$ 5,730	\$ 225,056
14-12	Fallston	\$ 574,800	110.42	9	\$ 220,015	\$ 5,748	\$ 225,763
14-13	Bel Air	\$ 973,184	183	17	\$ 372,502	\$ 9,732	\$ 382,234
14-14	Forest Hill	\$ 620,963	118.25	11	\$ 237,681	\$ 6,210	\$ 243,891
14-15	Jarrettsville	\$ 624,000	128.841	11	\$ 238,847	\$ 6,240	\$ 245,087
<b>TOTAL</b>		<b>\$ 3,365,947</b>	<b>660</b>		<b>\$ 1,288,371</b>	<b>\$ 33,660</b>	<b>\$1,322,031</b>

Data used in the analysis was provided by the Office of the Treasurer.

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### Additional Information

Previous Introductions: None

Fiscal Note History: Version 01 (4/08/2014) based on bills as of April 1, 2014.

Fiscal Analysis was prepared by Chrystal Brooks, County Auditor.

Inquiries may be directed to (410)638-3161.